

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

| | | | |
|---|---|--|----------------------|
| (1) DEPARTMENT Behavioral Health | (2) MEETING DATE 10/7/2014 | (3) CONTACT/PHONE Cindy Collins, Administrative Services Manager 788-2932 Raven Lopez, Accountant III 781-4783 | |
| (4) SUBJECT Request to approve a three year contract (November 1, 2013 –October 31, 2016), with a one-year extension option, with Cerner Corporation to replace the previous contract executed on October 5, 2010 with Anasazi Software, Incorporated for the Behavioral Health Electronic Health Record System in the amount of \$475,074. All Districts. | | | |
| (5) RECOMMENDED ACTION It is recommended that the Board approve and direct the Chairperson to sign a three year contract (November 1, 2013 – October 31, 2016), with a one-year extension option, with Cerner Corporation to replace the previous contract executed on October 5, 2010 with Anasazi Software, Incorporated for the Behavioral Health Electronic Health Record System in the amount of \$475,074. | | | |
| (6) FUNDING SOURCE(S) Mental Health Services Act and 2011 Realignment | (7) CURRENT YEAR FINANCIAL IMPACT \$336,214.00 | (8) ANNUAL FINANCIAL IMPACT \$138,860.00 | (9) BUDGETED? Yes |
| (10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____) | | | |
| (11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A | | | |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A | | (13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A | |
| (14) LOCATION MAP N/A | (15) BUSINESS IMPACT STATEMENT? No | (16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>10/5/10</u> | |
| (17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown | | | |
| (18) SUPERVISOR DISTRICT(S) All Districts | | | |

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Anne Robin, L.M.F.T., Behavioral Health Administrator

DATE: 10/7/2014

SUBJECT: Request to approve a three year contract (November 1, 2013 –October 31, 2016), with a one-year extension option, with Cerner Corporation to replace the previous contract executed on October 5, 2010 with Anasazi Software, Incorporated for the Behavioral Health Electronic Health Record System in the amount of \$475,074. All Districts.

RECOMMENDATION

It is recommended that the Board approve and direct the Chairperson to sign a three year contract (November 1, 2013 – October 31, 2016), with a one-year extension option, with Cerner Corporation to replace the previous contract executed on October 5, 2010 with Anasazi Software, Incorporated for the Behavioral Health Electronic Health Record System in the amount of \$475,074.

DISCUSSION

The Mental Health Services Act was enacted into law on January 1, 2005, following the passage of Proposition 63 in November 2004. This Act was designed to expand and transform county mental health services by imposing an additional one percent tax on individual taxable income in excess of one million dollars. Counties were allowed to use a percentage of their MHSA funds towards Capital Facilities and Technological Needs (CFTN). The Board approved the use of these funds to purchase a Behavioral Health Electronic Health Record (BHEHR) and approved a contract with Anasazi Software, Inc. on May 25, 2010. An amended contract was later presented and approved by the Board on October 5, 2010 to amend the agreed upon data conversion services.

On November 26, 2012 Cerner Corporation (Cerner) acquired Anasazi Software, Inc. (Anasazi) and assumed all of Anasazi's rights and obligations. Cerner has created a new Support Agreement to replace the original contract. The contract includes a new billing structure for the monthly software maintenance fee and revised project costs and milestones. The BHEHR project is expected to be completed by January 2015. The monthly software maintenance fee for on-going support of the BHEHR runs from November 2013 through October 2016. At the close of the three year period, the Department will have the option to renew the software maintenance component of the contract annually and will submit the renewal contract for Board approval at that time.

The implementation of the former Anasazi and now Cerner software product provides the County with a modern, Health Insurance Portability and Accountability Act (HIPAA) compliant system already in use by an established base of twenty-one California counties.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has approved the contract as to form and legal effect.

FINANCIAL CONSIDERATIONS

The FY 14/15 Adopted budget includes \$336,214 for Cerner services and includes BHEHR development costs and software maintenance costs. The remaining contract amount of \$138,860 will be budgeted in FY 15/16. The BHEHR development is expected to be completed by January 2015 and is funded solely with MHSA revenue. The monthly software maintenance costs are on-going and are needed to maintain the system. This expense is shared between the Divisions in Behavioral Health and is funded with MHSA revenue and Realignment 2011 revenue.

FY 2014-15 Adopted Budget:

- Mental Health Services Act Revenue - \$224,206
- 2011 Realignment Revenue - \$112,008

| Contract Items | FY 2014-15 Budget | FY 2015-16 Projected Budget | Total Contract Amount |
|---|------------------------------|--|--------------------------------------|
| BHEHR Development | | | |
| Psychiatric Health Facility | \$ 167,614 | \$ - | \$ 167,614 |
| Specially Requested Support Services | 25,000 | - | 25,000 |
| Total BHEHR Development Costs | \$ 192,614 | \$ - | \$ 192,614 |
| Software Maintenance | | | |
| Support and Software Maintenance | \$ 132,188 | \$ 129,818 | \$ 262,006 |
| 3rd Party Software Maintenance | 11,412 | 9,042 | 20,454 |
| Total Software Maintenance Costs | \$ 143,600 | \$ 138,860 | \$ 282,460 |
| Total Contract Amount | \$ 336,214 | \$ 138,860 | \$ 475,074 |

Psychiatric Health Facility (\$167,614):

These development services are related to specific functionality needed by the Psychiatric Health Facility (PHF). The PHF module is expected to be completed by the end of January 2015.

Specially Requested Support Services (\$25,000):

Specially Requested Support Services must be approved by the County Health Agency Director and are only incurred for specialized services outside the normal system maintenance and support services.

Support and Software Maintenance (\$262,006):

These costs include support services and maintenance, subscription for the Doctor's HomePage system, and new version rights which are billed monthly. The Support and Software Maintenance portion of the contract will be effective for two years from the agreement date. The contract will be renewed annually thereafter.

3rd Party Software Maintenance (\$20,454):

Cerner will pass the following software maintenance costs on to the County from a third party vendor annually: 2X Application Server XG, VDF 16 license support, and SQLFLEX Drivers for MS SQL Support. The total estimated 3rd Party Software Maintenance cost for two years is \$20,454.

RESULTS

As a result of this project, the Health Agency will implement a new Behavioral Health Electronic Health Record system that will:

- Provide accurate and culturally appropriate information about a consumer's mental health history to the service provider, the consumer and their family, when appropriate.
- Provide a management information system for the Behavioral Health Department that is responsive, integrated, links to other data systems and advances access to care and outcomes for clients.
- Increase measurable outcome data capture.
- Automate emergency psychiatric health care charts at the County PHF providing increased efficiency, integration and access to clinical information, thereby, increasing quality of PHF care.

- Increase client involvement in treatment planning making the treatment more personal, collaborative, and meaningful.
- Promote the electronic exchange of health information between service providers including e-Prescription services.
- Improve staff effectiveness by providing a modern, consistent user-interface across the system improving efficiency and quality.
- Provide a system which fully supports HIPAA compliance in centralizing security of client data and generating HIPAA compliant billing transactions.
- Provide a modular and scalable system that is easy to expand, update, and configure to meet changing County and State needs.
- Be positioned to obtain American Recovery and Reinvestment Act (ARRA) Medicare and Medicaid incentive funds if Community Behavioral Health Organizations are added to the federal eligible entity list.

The contract with Cerner to provide an electronic health record system will continue to help provide better record management and services to clients. Providing the most appropriate services to the clients increases the probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the wider County vision of a healthy and safe community.

ATTACHMENTS

1. Cerner Corp Agreement